202206UECM1404OE2b

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Review of preview

Started on	Wednesday, 3 August 2022, 05:49 PM
Completed on	Wednesday, 3 August 2022, 05:50 PM
Time taken	12 secs
Grade	**0** out of a maximum of 10 (**0**%)

1
Marks: 1

The proceeds of a 20,000 death benefit are left on deposit with an insurance company for seven years at an annual effective interest rate of 8%. The balance at the end of seven years is paid to the beneficiary in 132 equal monthly payments of X, with the first payment made immediately. During the payout period, interest is credited at an annual effective interest rate of 6%. Calculate X. _____

Answer:

Make comment or override grade

Incorrect
Correct answer: 350.867076
Marks for this submission: 0/1.

2
Marks: 1

An annuity provides for 44 annual payments. The first payment of 200 is made immediately and the remainning payments increase by 5% per annum. Interest is calculated at 13.0% per annum. Calculate the present value of this annuity. _____

Answer:

Make comment or override grade

Incorrect
Correct answer: 2713.340392
Marks for this submission: 0/1.

3
Marks: 1

Olga buys a 7-year increasing annuity for *X*. Olga will receive 100 at the end of the first month, 112 at the end of the second month, and for each month thereafter the payment increase by 12. The nominal interest rate is 4% convertible quarterly. Calculate *X*. _____

Answer:

Make comment or override grade

Incorrect
Correct answer: 42058.320144
Marks for this submission: 0/1.

4
Marks: 1

Two annuities have equal present values. The first is an annuity-immediate with quarterly payments of *X* for 11 years. The second is an increasing-annuity with 11 annual payments. The first payment is 800 and subsequent payments increase by 80.0 per year. You may assume an annual effective interest rate of 9%. Determine *X*. _____

Answer:

Make comment or override grade

Incorrect
Correct answer: 273.939784
Marks for this submission: 0/1.

5 Marks: 1

Jenny receives 16-year incresing annuity-immediate paying 200 the first year and increasing by 200 each year thereafter. Matt receives a 16-year decreasing annuity-immediate paying *Y* the first year and decreasing by *Y*/16 each year thereafter. At an effective annual interest rate of 10%, both annuities have the same present value> Calculate *Y*. _____

Answer:

Make comment or override grade

Incorrect
Correct answer: 2005.413206
Marks for this submission: 0/1.

6 Marks: 1

An-annuity-immediate pays 20 at the end of years 1 and 2, 19 at the ends of years 3 and 4, etc.., with payments decreasing by 1 every second year, until nothing is paid. The effective annual rate of interest is 6%. Calculate the present value of this annuity-immediate. _____

Answer:

Make comment or override grade

Incorrect
Correct answer: 211.59954
Marks for this submission: 0/1.

7 Marks: 1

A perpetuity costs 110.4 and makes annual payments at the end of the year. The perpetuity pays 1 at the end of year 2, 2 at the end of year 3,..., n at the end of year (n+1). After year (n+1), the payments remain constant at n. The annual effective interest rate is 7.4%. Calculate n. _____

Answer:

Make comment or override grade

Incorrect
Correct answer: 12.997022
Marks for this submission: 0/1.

8 Marks: 1

James purchased a perpetuity today for 15000. He will receive the first annual payment of 400 five year from now. The second annual payment will be 400 plus an amount B. Ecah subsequent payment will be the prior payment plus an additional constant amount B. If the effective annual interest rate is 5%, find B. _____

Answer:

Make comment or override grade

Incorrect
Correct answer: 25.581484
Marks for this submission: 0/1.

9 Marks: 1

Bob purchases an increasing perpetuity with payments occuring at the end of every 2 years. The first payment is 1, the second one is 2, the third one is 3, etc. The price of the perpetuity is 200. Calculate the annual effective interest rate. _____

Answer:

Make comment or override grade

Incorrect
Correct answer: 0.03598
Marks for this submission: 0/1.

10 Marks: 1

Click the following link to answer the questions:
https://docs.google.com/forms/d/e/1FAIpQLSdb3zdo0iaH35LwL7tX8Sx1B7ozkzs1crlZ7N7EbxQdOebkMQ/viewform?usp=sf_link

Then answer 1 here after submitting the form.
[Note: In order to enter the google form, you must make sure that you login to UTAR acccount. If you see "You need permission", this means that your are not login to UTAR account, switch to UTAR account] _____

Answer:

Make comment or override grade

Incorrect
Correct answer: 1

Marks for this submission: 0/1.